S T A T E O F N E W Y O R K

7793

I N S E N A T E

June 18, 2012

Introduced by COMMITTEE ON RULES -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law and the administrative code of the city of New York, in relation to a partial abatement of real property taxes for condominiums and cooperatives in a city having a population of one million or more, and a credit against the New York city personal income tax for S corporations in such city; and to amend the real property tax law in relation to exemption from taxation on alterations and improvements to multiple dwellings

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph (a) of subdivision 1 of section 467-a of the real property tax law, as added by chapter 273 of the laws of 1996, is amended to read as follows:

(a) "Applicant" means the board of managers of a condominium or the board of directors of a cooperative apartment corporation, PROVIDED THAT, IN ADDITION, THE COMMISSIONER OF FINANCE MAY BY RULE DESIGNATE THE OWNER OF A DWELLING UNIT AS AN APPLICANT.

S 2. Paragraphs (a) and (b) of subdivision 2 of section 467-a of the real property tax law, as added by chapter 273 of the laws of 1996, are amended to read as follows:

(a) In a city having a population of one million or more, dwelling units owned by unit owners who, as of the applicable taxable status date, own no more than three dwelling units in any one property held in the condominium form of ownership, shall be eligible to receive a partial abatement of real property taxes, as set forth in paragraphs (c) [and], (d), (D-1), (D-2), (D-3), (D-4), (D-5) AND (D-6) of this subdivision; provided, however, that a property held in the condominium form of ownership that is receiving complete or partial real property tax exemption or tax abatement pursuant to any other provision of this chapter or any other state or local law, except as provided in paragraph (f) of this subdivision, shall not be eligible to receive a partial abatement pursuant to this section; and provided, further, that sponsors shall not be eligible to receive a partial abatement pursuant to this

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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section; AND PROVIDED, FURTHER, THAT IN THE FISCAL YEARS COMMENCING IN CALENDAR YEARS TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN, NO MORE THAN A MAXIMUM OF THREE DWELLING UNITS OWNED BY ANY UNIT OWNER, ONE OF WHICH MUST BE THE PRIMARY RESIDENCE OF SUCH UNIT OWNER AND ALL OF WHICH MUST BE IN THE SAME PROPERTY IN WHICH THE PRIMARY RESIDENCE IS LOCATED, SHALL BE ELIGIBLE TO RECEIVE A PARTIAL ABATEMENT PURSUANT TO PARAGRAPHS (D-1), (D-2), (D-3) AND (D-4) OF THIS SUBDIVISION.

(b) In a city having a population of one million or more, dwelling units owned by tenant-stockholders who, as of the applicable taxable status date, own no more than three dwelling units in any one property held in the cooperative form of ownership, shall be eligible to receive a partial abatement of real property taxes, as set forth in paragraphs (c) [and], (d), (D-1), (D-2), (D-3), (D-4), (D-5) AND (D-6) of this subdivision; provided, however, that a property held in the cooperative form of ownership that is receiving complete or partial real property tax exemption or tax abatement pursuant to any other provision of this chapter or any other state or local law, except as provided in paragraph (f) of this subdivision, shall not be eligible to receive a partial abatement pursuant to this section; and provided, further, that sponsors shall not be eligible to receive a partial abatement pursuant to this section; AND PROVIDED, FURTHER, THAT IN THE FISCAL YEARS COMMENCING IN CALENDAR YEARS TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN, NO MORE THAN A MAXIMUM OF THREE DWELLING UNITS OWNED BY ANY TENANT-STOCKHOLDER, ONE OF WHICH MUST BE THE PRIMARY RESIDENCE OF SUCH TENANT-STOCKHOLDER AND ALL OF WHICH MUST BE IN THE SAME PROPERTY IN WHICH THE PRIMARY RESIDENCE IS LOCATED, SHALL BE ELIGIBLE TO RECEIVE A PARTIAL ABATEMENT PURSUANT TO PARAGRAPHS (D-1), (D-2), (D-3) AND (D-4) OF THIS SUBDIVISION. For purposes of this section, a tenant-stockholder of a cooperative apartment corporation shall be deemed to own the dwelling unit which is represented by his or her shares of stock in such corporation. Any abatement so granted shall be credited by the appropriate taxing authority against the tax due on the property as a whole. The reduction in real property taxes received thereby shall be credited by the cooperative apartment corporation against the amount of such taxes attributable to eligible dwelling units at the time of receipt.

S 3. Subparagraph (xvi) of paragraph (c) of subdivision 2 of section 467-a of the real property tax law, as added by chapter 109 of the laws of 2008, is amended and a new subparagraph (xvii) is added to read as follows:

(xvi) twenty-five percent in the fiscal year commencing in calendar year two thousand eleven[.];

(XVII) TWENTY-FIVE PERCENT IN THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE.

S 4. Subparagraph (xvi) of paragraph (d) of subdivision 2 of section 467-a of the real property tax law, as added by chapter 109 of the laws of 2008, is amended and a new subparagraph (xvii) is added to read as follows:

(xvi) seventeen and one-half percent in the fiscal year commencing in calendar year two thousand eleven[.];

(XVII) SEVENTEEN AND ONE-HALF PERCENT IN THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE.

S 5. Subdivision 2 of section 467-a of the real property tax law is amended by adding six new paragraphs (d-1), (d-2), (d-3), (d-4), (d-5) and (d-6) to read as follows:

(D-1) IN ANY FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN, ELIGIBLE DWELLING UNITS IN PROPERTY WHOSE AVERAGE UNIT ASSESSED VALUE IS LESS THAN OR EQUAL TO FIFTY THOUSAND DOLLARS SHALL RECEIVE A PARTIAL ABATEMENT OF THE REAL PROPERTY TAXES ATTRIBUTABLE TO OR DUE ON SUCH DWELLING UNITS OF TWENTY-FIVE PERCENT.

(D-2) IN ANY FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN, ELIGIBLE DWELLING UNITS IN PROPERTY WHOSE AVERAGE UNIT ASSESSED VALUE IS MORE THAN FIFTY THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO THIRTY-FIVE THOUSAND DOLLARS, SHALL RECEIVE A PARTIAL ABATEMENT OF THE REAL PROPERTY TAXES ATTRIBUTABLE TO OR DUE ON SUCH DWELLING UNITS OF TWENTY-TWO AND ONE-HALF PERCENT.

(D-3) IN ANY FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN, ELIGIBLE DWELLING UNITS IN PROPERTY WHOSE AVERAGE UNIT ASSESSED VALUE IS MORE THAN FIFTY-FIVE THOUSAND DOLLARS, BUT LESS THAN OR EQUAL TO SIXTY THOUSAND DOLLARS, SHALL RECEIVE A PARTIAL ABATEMENT OF THE REAL PROPERTY TAXES ATTRIBUTABLE TO OR DUE ON SUCH DWELLING UNITS OF TWENTY PERCENT.

(D-4) IN ANY FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN, ELIGIBLE DWELLING UNITS IN PROPERTY WHOSE AVERAGE UNIT ASSESSED VALUE IS MORE THAN SIXTY THOUSAND DOLLARS SHALL RECEIVE A PARTIAL ABATEMENT OF THE REAL PROPERTY TAXES ATTRIBUTABLE TO OR DUE ON SUCH DWELLING UNITS OF SEVENTEEN AND ONE-HALF PERCENT.

(D-5) IN THE FISCAL YEARS COMMENCING IN CALENDAR YEARS TWO THOUSAND THIRTEEN AND TWO THOUSAND FOURTEEN, DWELLING UNITS THAT RECEIVED AN ABATEMENT PURSUANT TO THIS SECTION IN THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE AND THAT ARE NOT ELIGIBLE DWELLING UNITS UNDER PARAGRAPH (D-1), (D-2), (D-3) OR (D-4) OF THIS SUBDIVISION AND THAT HAVE AN AVERAGE UNIT ASSESSED VALUE THAT IS LESS THAN OR EQUAL TO FIFTEEN THOUSAND DOLLARS SHALL RECEIVE A PARTIAL ABATEMENT OF THE REAL PROPERTY TAXES ATTRIBUTABLE TO OR DUE ON SUCH DWELLING UNITS OF TWELVE AND ONE HALF PERCENT, AND SIX AND TWENTY-FIVE HUNDREDTHS PERCENT, RESPECTIVELY.

(D-6) IN THE FISCAL YEARS COMMENCING IN CALENDAR YEARS TWO THOUSAND THIRTEEN AND TWO THOUSAND FOURTEEN, DWELLING UNITS THAT RECEIVED AN ABATEMENT PURSUANT TO THIS SECTION IN THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE AND THAT ARE NOT ELIGIBLE DWELLING UNITS UNDER PARAGRAPH (D-1), (D-2), (D-3) OR (D-4) OF THIS SUBDIVISION AND THAT HAVE AN AVERAGE UNIT ASSESSED VALUE THAT IS GREATER THAN FIFTEEN THOUSAND DOLLARS SHALL RECEIVE A PARTIAL ABATEMENT OF THE REAL PROPERTY TAXES ATTRIBUTABLE TO OR DUE ON SUCH DWELLING UNITS OF EIGHT AND SEVENTY-FIVE HUNDREDTHS PERCENT, AND FOUR AND THREE HUNDRED SEVENTY-FIVE THOUSANDTHS PERCENT, RESPECTIVELY.

S 6. Paragraphs (a), (b) and (c) of subdivision 3 of section 467-a of the real property tax law, paragraphs (a) and (c) as amended by chapter 109 of the laws of 2008, and paragraph (b) as amended by section 6 of part LL of chapter 407 of the laws of 1999, are amended to read as follows:

(a) An application for an abatement pursuant to this section for the fiscal year commencing in calendar year nineteen hundred ninety-six shall be made no later than the fifteenth day of September, nineteen hundred ninety-six. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year nineteen hundred ninety-seven shall be made no later than the first day of April, nine-

teen hundred ninety-seven. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year nineteen hundred ninety-eight shall be made no later than the first day of April, nineteen hundred ninety-eight. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year nineteen hundred ninety-nine shall be made in accordance with this subdivision and subdivision three-a of this section. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand shall be made no later than the fifteenth day of February, two thousand. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand one shall be made in accordance with this subdivision and subdivision three-b of this section. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand two shall be made no later than the fifteenth day of February, two thousand two. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand three shall be made no later than the fifteenth day of February, two thousand three. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand four shall be made in accordance with this subdivision and subdivision three-c of this section. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand five shall be made no later than the fifteenth day of February, two thousand five. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand six shall be made no later than the fifteenth day of February, two thousand six. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand seven shall be made no later than the fifteenth day of February, two thousand seven. An application for AN abatement pursuant to this section for the fiscal year commencing in calendar year two thousand eight shall be made in accordance with this subdivision and subdivision three-d of this section. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand nine shall be made no later than the fifteenth day of February, two thousand nine. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand ten shall be made no later than the fifteenth day of February, two thousand ten. An application for an abatement pursuant to this section for the fiscal year commencing in calendar year two thousand eleven shall be made no later than the fifteenth day of February, two thousand eleven. AN APPLICATION FOR AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE SHALL BE MADE IN ACCORDANCE WITH THIS SUBDIVISION AND SUBDIVISION THREE-E OF THIS SECTION. THE DATE OR DATES BY WHICH APPLICATIONS FOR AN ABATEMENT PURSUANT TO THIS SECTION SHALL BE MADE FOR THE FISCAL YEARS COMMENCING IN CALENDAR YEARS TWO THOUSAND THIRTEEN, TWO THOUSAND FOURTEEN AND TWO THOUSAND FIFTEEN SHALL BE ESTABLISHED BY THE COMMISSIONER OF FINANCE BY RULE, PROVIDED THAT SUCH DATE OR DATES SHALL NOT BE LATER THAN THE FIFTEENTH DAY OF FEBRUARY FOR EACH SUCH CALENDAR YEAR. THE COMMISSIONER OF FINANCE MAY DETERMINE BY RULE THE NATURE OF THE INFORMATION TO BE INCLUDED ON SUCH APPLICATIONS AND MAY DENY AN ABATEMENT PURSUANT TO THIS SECTION FOR FAILURE TO COMPLY WITH SUCH RULES.

(b) An application for an abatement pursuant to this section shall be submitted to the commissioner of finance by the board of managers of a

condominium or the board of directors of a cooperative apartment corporation, PROVIDED THAT THE COMMISSIONER OF FINANCE MAY BY RULE REQUIRE THE OWNER OF A DWELLING UNIT TO SUBMIT AN APPLICATION TO SUPPLEMENT INFORMATION CONTAINED IN THE APPLICATION SUBMITTED BY THE BOARD OF MANAGERS OF A CONDOMINIUM OR THE BOARD OF DIRECTORS OF A COOPERATIVE APARTMENT CORPORATION AND MAY BY RULE APPLY AND ADJUST, AS APPROPRIATE, ANY PROVISIONS OF THIS SECTION THAT RELATE TO APPLICATIONS SUBMITTED BY SUCH BOARDS TO APPLICATIONS SUBMITTED BY SUCH OWNERS.

(c) No abatement pursuant to this section shall be granted unless the applicant files an application for an abatement within the time periods prescribed in paragraph (a) of this subdivision or subdivision three-a, three-b, three-c [or], three-d OR THREE-E of this section, provided, however, that the commissioner of finance may, for good cause shown, extend the time for filing an application.

S 7. Section 467-a of the real property tax law is amended by adding a new subdivision 3-e to read as follows:

3-E. (A) AN APPLICANT WHOSE PROPERTY DID NOT RECEIVE AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND ELEVEN SHALL SUBMIT AN APPLICATION FOR AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE NO LATER THAN SIXTY DAYS FOLLOWING THE EFFECTIVE DATE OF THIS SUBDIVISION.

(B) THE ABATEMENT FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE OF A COOPERATIVE APARTMENT CORPORATION THAT RECEIVED AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND ELEVEN AND THAT SUBMITTED AN INFORMATION RETURN ON OR BEFORE FEBRUARY FIFTEENTH, TWO THOUSAND TWELVE, THAT INCLUDED AN ELECTION BY THE BOARD OF DIRECTORS OF SUCH COOPERATIVE APARTMENT CORPORATION THAT SUCH INFORMATION RETURN BE DEEMED AN APPLICATION FOR AN ABATEMENT PURSUANT TO THIS SECTION FOR SUCH FISCAL YEAR, SHALL BE BASED ON THE INFORMATION CONTAINED IN SUCH INFORMATION RETURN.

(C) THE ABATEMENT FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE OF A COOPERATIVE APARTMENT CORPORATION THAT RECEIVED AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND ELEVEN AND THAT SUBMITTED AN INFORMATION RETURN ON OR BEFORE FEBRUARY FIFTEENTH, TWO THOUSAND TWELVE, THAT DID NOT INCLUDE AN ELECTION BY THE BOARD OF DIRECTORS OF SUCH COOPERATIVE APARTMENT CORPORATION THAT SUCH INFORMATION RETURN BE DEEMED AN APPLICATION FOR AN ABATEMENT PURSUANT TO THIS SECTION FOR SUCH FISCAL YEAR, SHALL BE BASED ON THE INFORMATION CONTAINED IN THE APPLICATION SUBMITTED IN TWO THOUSAND ELEVEN OR ON THE INFORMATION CONTAINED IN SUCH INFORMATION RETURN, OR BOTH, PROVIDED THAT NOTHING IN THIS PARAGRAPH SHALL AUTHORIZE OR REQUIRE THE COMMISSIONER OF FINANCE TO GRANT AN ABATEMENT WITH RESPECT TO A PROPERTY OR A DWELLING UNIT THAT IS NOT ELIGIBLE AS OF THE APPLICABLE TAXABLE STATUS DATE FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE.

(D) THE BOARD OF MANAGERS OF A CONDOMINIUM THAT RECEIVED AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND ELEVEN SHALL SUBMIT AN APPLICATION FOR AN ABATEMENT PURSUANT TO THIS SECTION FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE NO LATER THAN SIXTY DAYS FOLLOWING THE EFFECTIVE DATE OF THIS SUBDIVISION. IF SUCH BOARD OF MANAGERS DOES NOT SUBMIT SUCH APPLICATION WITHIN SIXTY DAYS FOLLOWING THE EFFECTIVE DATE OF THIS SUBDIVISION, THEN THE ABATEMENT FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE FOR SUCH CONDOMINIUM SHALL BE BASED ON THE INFORMATION CONTAINED IN THE APPLICATION SUBMITTED IN TWO THOUSAND ELEVEN,

PROVIDED THAT NOTHING IN THIS PARAGRAPH SHALL AUTHORIZE OR REQUIRE THE COMMISSIONER OF FINANCE TO GRANT AN ABATEMENT WITH RESPECT TO A PROPERTY OR A DWELLING UNIT THAT IS NOT ELIGIBLE AS OF THE APPLICABLE TAXABLE STATUS DATE FOR THE FISCAL YEAR COMMENCING IN CALENDAR YEAR TWO THOUSAND TWELVE.

S 8. Subdivision 7 of section 467-a of the real property tax law, as added by chapter 273 of the laws of 1996, is amended to read as follows:

7. The commissioner of finance shall be authorized to promulgate rules necessary to effectuate the purposes of this section. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, SUCH RULES MAY INCLUDE, BUT NEED NOT BE LIMITED TO, DENIAL, TERMINATION OR REVOCATION OF ANY ABATEMENT PURSUANT TO THIS SECTION IF ANY DWELLING UNIT IN A PROPERTY HELD IN THE CONDOMINIUM FORM OF OWNERSHIP OR A PROPERTY HELD IN THE COOPERATIVE FORM OF OWNERSHIP HAS REAL PROPERTY TAXES, WATER AND SEWER CHARGES, PAYMENTS IN LIEU OF TAXES OR OTHER MUNICIPAL CHARGES DUE AND OWING, UNLESS SUCH REAL PROPERTY TAXES, WATER AND SEWER CHARGES, PAYMENTS IN LIEU OF TAXES OR OTHER MUNICIPAL CHARGES ARE CURRENTLY BEING PAID IN TIMELY INSTALLMENTS PURSUANT TO A WRITTEN AGREEMENT WITH THE DEPARTMENT OF FINANCE OR OTHER APPROPRIATE AGENCY.

S 9. Subdivision 8 of section 467-a of the real property tax law, as amended by chapter 453 of the laws of 2011, is amended to read as follows:

8. Except to the extent that the owner of a dwelling unit of a property situated in a city having a population of one million or more may request a redacted copy of any application or statements pertaining to such dwelling unit, as provided in subdivision four of this section, the information contained in applications or statements in connection therewith filed with the commissioner of finance pursuant to subdivision three, three-a, three-b [or], three-c, THREE-D OR THREE-E of this section shall not be subject to disclosure under article six of the public officers law.

S 10. Section 467-a of the real property tax law is amended by adding a new subdivision 9 to read as follows:

9. THE COMMISSIONER OF FINANCE SHALL BE AUTHORIZED TO PREPARE AND SUBMIT AMENDED TAX BILLS TO TAXPAYERS TO REFLECT ANY ADJUSTMENTS NECESSARY TO APPLY THE PARTIAL ABATEMENT RECEIVED PURSUANT TO THIS SECTION. IF A CONDOMINIUM OR COOPERATIVE HAS PAID AN AMOUNT THAT IS DIFFERENT THAN THE AMOUNT DUE ON ANY AMENDED TAX BILL, THE COMMISSIONER OF FINANCE MAY WAIVE ANY INTEREST OTHERWISE DUE ON SUCH AMOUNT.

S 11. Section 11-1706 of the administrative code of the city of New York is amended by adding a new subdivision (f) to read as follows:

(F) CREDIT FOR GENERAL CORPORATION TAX PAID. (1) A CITY RESIDENT INDIVIDUAL, ESTATE OR TRUST WHOSE CITY ADJUSTED GROSS INCOME INCLUDES A PRO RATA SHARE OF INCOME, LOSS AND DEDUCTIONS DESCRIBED IN PARAGRAPH ONE OF SUBSECTION (A) OF SECTION THIRTEEN HUNDRED SIXTY-SIX OF THE INTERNAL REVENUE CODE, FROM ONE OR MORE NEW YORK S CORPORATIONS AS DEFINED IN SUBDIVISION ONE-A OF SECTION TWO HUNDRED EIGHT OF THE TAX LAW, OR FROM ONE OR MORE QSSSS AS DEFINED IN SUBDIVISION ONE-B OF SECTION TWO HUNDRED EIGHT OF THE TAX LAW, THAT ARE EXEMPT QSSSS BY REASON OF CLAUSE (A) OF SUBPARAGRAPH ONE OF PARAGRAPH (K) OF SUBDIVISION NINE OF SECTION TWO HUNDRED EIGHT OF THE TAX LAW, ON WHICH A TAX IS IMPOSED BY SUBCHAPTER TWO OF CHAPTER SIX OF THIS TITLE, SHALL BE ALLOWED A CREDIT AS PROVIDED IN PARAGRAPH TWO OF THIS SUBDIVISION AGAINST THE TAX OTHERWISE DUE UNDER SECTIONS 11-1701, 11-1703, 11-1704 AND 11-1704.1 OF THIS CHAPTER.

(2)(A) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBPARAGRAPHS (B) AND (C) OF THIS PARAGRAPH, THE CREDIT ALLOWED TO A TAXPAYER FOR A TAXABLE YEAR UNDER THIS SUBDIVISION SHALL BE DETERMINED AS FOLLOWS:

(I) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN:

(I) IF THE CITY TAXABLE INCOME IS FORTY-TWO THOUSAND DOLLARS OR LESS, THE AMOUNT OF THE CREDIT SHALL BE ONE HUNDRED PERCENT OF THE AMOUNT DETERMINED IN PARAGRAPH THREE OF THIS SUBDIVISION.

(II) IF THE CITY TAXABLE INCOME IS GREATER THAN FORTY-TWO THOUSAND DOLLARS BUT LESS THAN TWO HUNDRED FIFTY THOUSAND DOLLARS, THE AMOUNT OF THE CREDIT SHALL BE A PERCENTAGE OF THE AMOUNT DETERMINED IN PARAGRAPH THREE OF THIS SUBDIVISION, SUCH PERCENTAGE TO BE DETERMINED BY SUBTRACTING FROM ONE HUNDRED PERCENT, A PERCENTAGE DETERMINED BY SUBTRACTING FORTY-TWO THOUSAND DOLLARS FROM CITY TAXABLE INCOME, DIVIDING THE RESULT BY TWO HUNDRED EIGHT THOUSAND DOLLARS AND MULTIPLYING BY ONE HUNDRED PERCENT.

(III) IF THE CITY TAXABLE INCOME IS TWO HUNDRED FIFTY THOUSAND DOLLARS OR GREATER, NO CREDIT SHALL BE ALLOWED.

(B) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE CREDIT ALLOWED TO A TAXPAYER FOR A TAXABLE YEAR UNDER THIS SUBDIVISION SHALL NOT EXCEED THE SUM OF THE TAXES THAT WOULD OTHERWISE BE IMPOSED BY SECTIONS 11-1701, 11-1703, 11-1704 AND 11-1704.1 OF THIS CHAPTER ON SUCH TAXPAYER FOR SUCH TAXABLE YEAR AFTER THE ALLOWANCE OF ANY OTHER CREDITS ALLOWED BY SUBDIVISIONS (A) AND (B) OF THIS SECTION, AND SUBDIVISION (C) OF THIS SECTION, AS ADDED BY CHAPTER FOUR HUNDRED EIGHTY-ONE OF THE LAWS OF NINETEEN HUNDRED NINETY-SEVEN AND SUBSEQUENTLY AMENDED, AND SECTION 11-1721 OF THIS CHAPTER.

(C) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN SUBPARAGRAPH (A) OF THIS PARAGRAPH, NO CREDIT SHALL BE ALLOWED FOR ANY AMOUNT OF TAX IMPOSED, OR CREDIT ALLOWED, BY SUBCHAPTER TWO OF CHAPTER SIX OF THIS TITLE ON, OR TO, A COMBINED GROUP OF CORPORATIONS INCLUDING A NEW YORK S CORPORATION OR AN EXEMPT QSSS, EXCEPT WHERE THE COMBINED GROUP CONSISTS EXCLUSIVELY OF ONE OR MORE NEW YORK S CORPORATIONS AND ONE OR MORE EXEMPT QSSSS OF SUCH CORPORATIONS AS DESCRIBED IN PARAGRAPH ONE OF THIS SUBDIVISION, PROVIDED THAT EACH OF THE NEW YORK S CORPORATIONS INCLUDED IN THE GROUP IS WHOLLY OWNED BY THE SAME INTERESTS AND IN THE SAME PROPORTIONS AS EACH OTHER NEW YORK S CORPORATION INCLUDED IN THE GROUP.

(3) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (B) OF THIS PARAGRAPH AND SUBPARAGRAPH (C) OF PARAGRAPH TWO OF THIS SUBDIVISION, THE AMOUNT DETERMINED IN THIS PARAGRAPH IS THE SUM OF THE TAXPAYER'S PRO RATA SHARE OF THE AMOUNTS DETERMINED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH FOR EACH NEW YORK S CORPORATION, OR EXEMPT QSSS, DESCRIBED IN PARAGRAPH ONE OF THIS SUBSECTION, A PRO RATA SHARE OF WHOSE INCOME, LOSS AND DEDUCTIONS DESCRIBED IN PARAGRAPH ONE OF SUBSECTION (A) OF SECTION THIRTEEN HUNDRED SIXTY-SIX OF THE INTERNAL REVENUE CODE, IS INCLUDED IN THE TAXPAYER'S CITY ADJUSTED GROSS INCOME.

(A) THE AMOUNT DETERMINED IN THIS SUBPARAGRAPH IS THE SUM OF:

(I) THE TAXES IMPOSED BY SUBCHAPTER TWO OF CHAPTER SIX OF THIS TITLE ON SUCH CORPORATION, OR A COMBINED GROUP INCLUDING SUCH CORPORATION, FOR ITS TAXABLE YEAR ENDING WITHIN OR WITH THE TAXABLE YEAR OF THE TAXPAYER AND PAID BY SUCH CORPORATION, OR COMBINED GROUP; AND

(II) THE AMOUNT OF ANY CREDIT OR CREDITS TAKEN BY SUCH CORPORATION, OR A COMBINED GROUP INCLUDING SUCH CORPORATION, UNDER SUBDIVISION EIGHTEEN OF SECTION 11-604 OF THIS TITLE FOR ITS TAXABLE YEAR ENDING WITHIN OR WITH THE TAXABLE YEAR OF THE TAXPAYER.

(B) FOR PURPOSES OF THIS SUBDIVISION, THE TAXPAYER'S PRO RATA SHARE OF THE AMOUNT IN SUBPARAGRAPH (A) OF THIS PARAGRAPH FOR THE TAXABLE YEAR SHALL BE THE AMOUNT DETERMINED WITH RESPECT TO THE TAXPAYER:

(I) BY ASSIGNING AN EQUAL PORTION OF THE AMOUNT IN SUBPARAGRAPH (A) OF THIS PARAGRAPH TO EACH DAY OF THE CORPORATION'S TAXABLE YEAR ON WHICH THE CORPORATION HAS SHARES OUTSTANDING,

(II) THEN BY DIVIDING THAT PORTION PRO RATA AMONG THE SHARES OUTSTANDING ON THAT DAY; PROVIDED, HOWEVER,

(III) IF THE TAXABLE YEAR OF SUCH CORPORATION FOR PURPOSES OF CHAPTER SIX OF THIS TITLE IS DIFFERENT FROM ITS NEW YORK S YEAR OR S SHORT YEAR AS DEFINED IN SUBDIVISION ONE-A OF SECTION TWO HUNDRED EIGHT OF THE TAX LAW, OR SUBSECTION (F) OF SECTION FOURTEEN HUNDRED FIFTY OF THE TAX LAW, ONLY THOSE PORTIONS THAT ARE ASSIGNED TO DAYS OF THE TAXABLE YEAR THAT ARE ALSO DAYS OF THE NEW YORK S YEAR OR S SHORT YEAR SHALL BE TAKEN INTO ACCOUNT IN DETERMINING THE SHAREHOLDER'S PRO RATA SHARE OF THE AMOUNT DETERMINED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.

S 12. If any provision of section eleven of this act is adjudged by any court of competent jurisdiction to be invalid or unconstitutional, the credit provided for in such sections shall not be allowed for any tax period or periods with respect to which such judgment is in effect.

S 13. The opening paragraph of paragraph (a) of subdivision 1 of section 489 of the real property tax law, as amended by chapter 244 of the laws of 2006, is amended to read as follows:

Any city to which the multiple dwelling law is applicable, acting through its local legislative body or other governing agency, is hereby authorized and empowered, to and including June first, two thousand [eleven] FOURTEEN, to adopt and amend local laws or ordinances providing that any increase in assessed valuation of real property shall be exempt from taxation for local purposes, as provided herein, to the extent such increase results from:

S 14. The closing paragraph of subparagraph 6 of paragraph (a) of subdivision 1 of section 489 of the real property tax law, as amended by chapter 244 of the laws of 2006, is amended to read as follows:

Such conversion, alterations or improvements shall be completed within thirty-six months after the date on which same shall be started except that such thirty-six month limitation shall not apply to conversions of residential units which are registered with the loft board in accordance with article seven-C of the multiple dwelling law pursuant to subparagraph one of this paragraph. Notwithstanding the foregoing, a sixty month period for completion shall be available for alterations or improvements undertaken by a housing development fund company organized pursuant to article eleven of the private housing finance law, which are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality or which are carried out in a property transferred from such city if alterations and improvements are completed within seven years after the date of transfer. In addition, the local housing agency is hereby empowered to grant an extension of the period of completion for any project carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality, if such alterations or improvements are completed within sixty months from commencement of construction. Provided, further, that such conversion, alterations or improvements shall in any event be completed prior to December thirty-first, two thousand [eleven] FOURTEEN. Exemption for conversions, alterations or improvements pursuant to subparagraph one, two, three or four of this paragraph shall

continue for a period not to exceed fourteen years and begin no sooner than the first quarterly tax bill immediately following the completion of such conversion, alterations or improvements. Exemption for alterations or improvements pursuant to this subparagraph or subparagraph five of this paragraph shall continue for a period not to exceed thirty-four years and shall begin no sooner than the first quarterly tax bill immediately following the completion of such alterations or improvements. Such exemption shall be equal to the increase in the valuation which is subject to exemption in full or proportionally under this subdivision for ten or thirty years, whichever is applicable. After such period of time, the amount of such exempted assessed valuation of such improvements shall be reduced by twenty percent in each succeeding year until the assessed value of the improvements are fully taxable. Provided, however, exemption for any conversion, alterations or improvements which are aided by a loan or grant under article eight, eight-A, eleven, twelve, fifteen or twenty-two of the private housing finance law, section six hundred ninety-six-a or section ninety-nine-h of the general municipal law, or section three hundred twelve of the housing act of nineteen hundred sixty-four (42 U.S.C.A. 1452b), or the Cranston-Gonzalez national affordable housing act (42 U.S.C.A. 12701 et. seq.), or started after July first, nineteen hundred eighty-three by a housing development fund company organized pursuant to article eleven of the private housing finance law which are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality or which are carried out in a property transferred from any city and where alterations and improvements are completed within seven years after the date of transfer may commence at the beginning of any tax quarter subsequent to the start of such conversion, alterations or improvements and prior to the completion of such conversion, alterations or improvements.

S 15. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after June 1, 2011.